



COOK COUNTY HEALTH ANNUAL BUSINESS DIVERSITY REPORT PRESENTATION FISCAL YEAR 2018

TONI PRECKWINKLE, PRESIDENT

COOK COUNTY BOARD OF COMMISSIONERS

COMMISSIONER STANLEY MOORE, CHAIRMAN

COMMITTEE ON CONTRACT COMPLIANCE

EDWARD H. OLIVIERI, DIRECTOR

OFFICE OF CONTRACT COMPLIANCE

MISSION

The mission of the Office of Contract Compliance (OCC) is to ensure the full and equitable participation of minority, women and veteran-owned businesses (MBE/WBE/VBE) in the procurement process as both prime and sub-contractors for Cook County Government and Cook County Health and Hospitals Systems (CCH). The OCC seeks greater inclusion of MBE, WBE and VBEs on County and CCH contracts by conducting outreach activities to the business community about the County's Program.

HISTORY OF M/WBE PROGRAM

- First enacted in 1988, the M/WBE Program was designed to remediate past County discrimination against minorities and women on construction contracts.
- The Program evolved over time to apply also to goods and services contracts, as well as professional services contracts; ultimately being extended to health and hospital contracts.
- In 2000, the construction portion of the Program was ruled unconstitutional, and Cook County was without M/WBE participation on construction contracts for several years.
- Under the leadership of President Preckwinkle, the Program now is on firm constitutional footing supported by Cook County's first ever Disparity Study in 2013.

CONSTITUTIONALLY DEFENSIBLE PROGRAM

- The Program is subject to Strict Scrutiny, the most exacting form of judicial review, which requires that Cook County establish 1) that the County participated in discrimination against minorities and women; and 2) that its program to remedy those past wrongs is narrowly tailored to accomplish its remedial purpose.
- The Program follows the format of the federal DBE program which includes caps on personal net worth and adherence to the SBA size standards.
- The Program is supported by a Disparity Study and includes a sunset date to ensure continuous econometric analysis to justify the Program's maintenance

NARROWLY TAILORED PROGRAM

- Goals are set on a contract-by-contract basis, no blanket goals or quotas
 - Size of the contract, term of the contract, amount of subcontracting opportunity, availability of M/WBEs to provide a commercially useful function on the contract
- Waiver Review Process when Good Faith Efforts to achieve the goals are demonstrated
- Race and Gender-Neutral Measures to remedy past discrimination
 - Prompt Payment Provision in Cook County Ordinance
 - Outreach Program (OCC, Supply Chain Management and User Departments partnering with Commissioners, Assist Agencies and other units of government)
 - Anti-Discrimination Enforcement (Cook County Commission on Human Rights, OIIG, OCC)
 - Unbundling large contracts (OCC, Supply Chain Management and User Departments)
 - Holding pre-bid conferences (Supply Chain Management)
 - Providing timely information on contracting opportunities and establishing schedules for submitting bids with adequate time (OCC and Supply Chain Management)

OFFICE OF CONTRACT COMPLIANCE: WHAT WE DO

| | |
|---------------|--|
| Certification | Certify Minority-, Women-, Veteran- and Service Disabled Veteran and Person with Disability-Owned Business Enterprise |
| Compliance | Set contract goals; Evaluate waiver requests; Track and monitor contracts for compliance on the committed level of M/WBE participation |
| Outreach | Conduct vendor outreach activities |

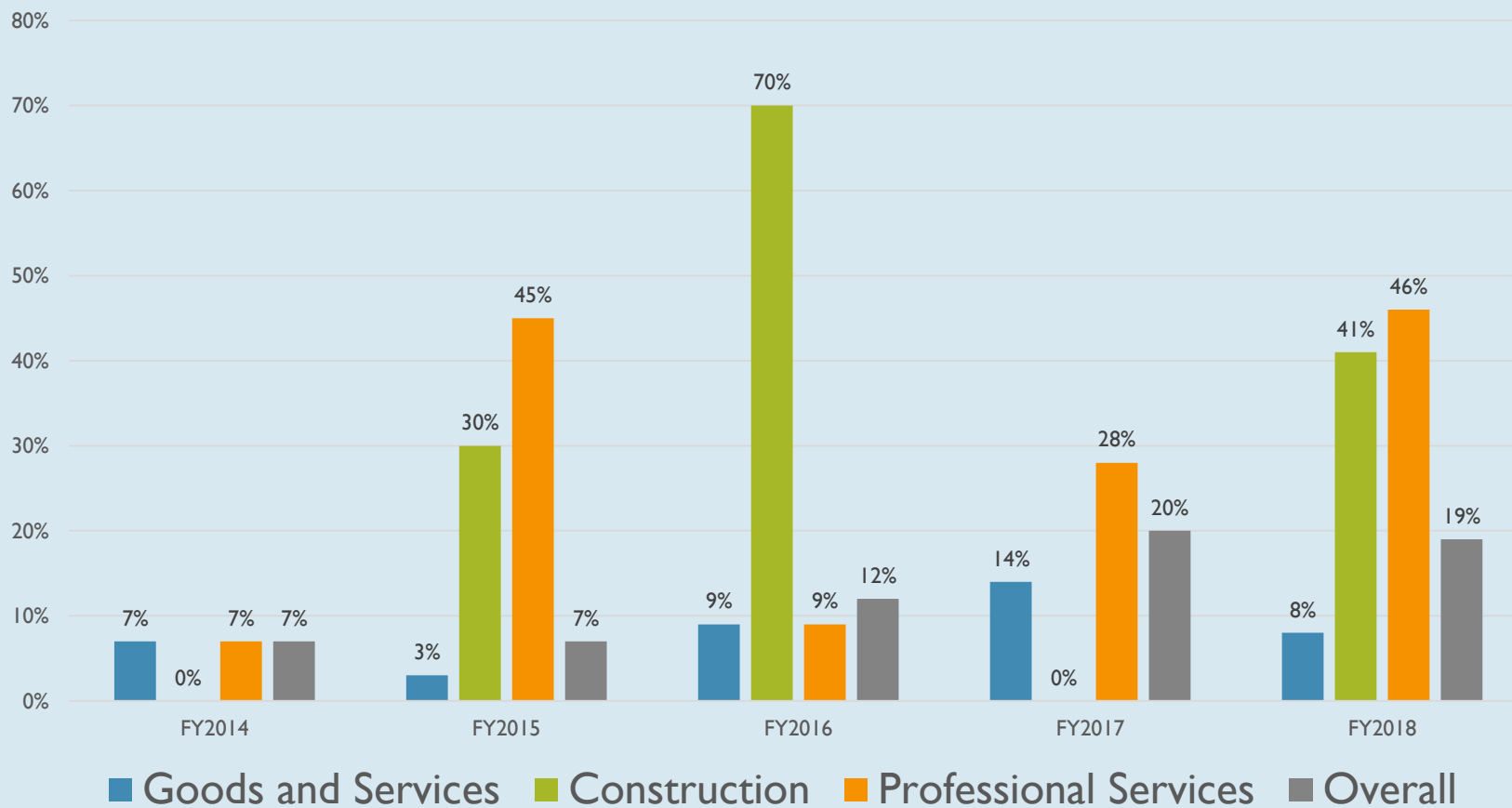
M/WBE PARTICIPATION @



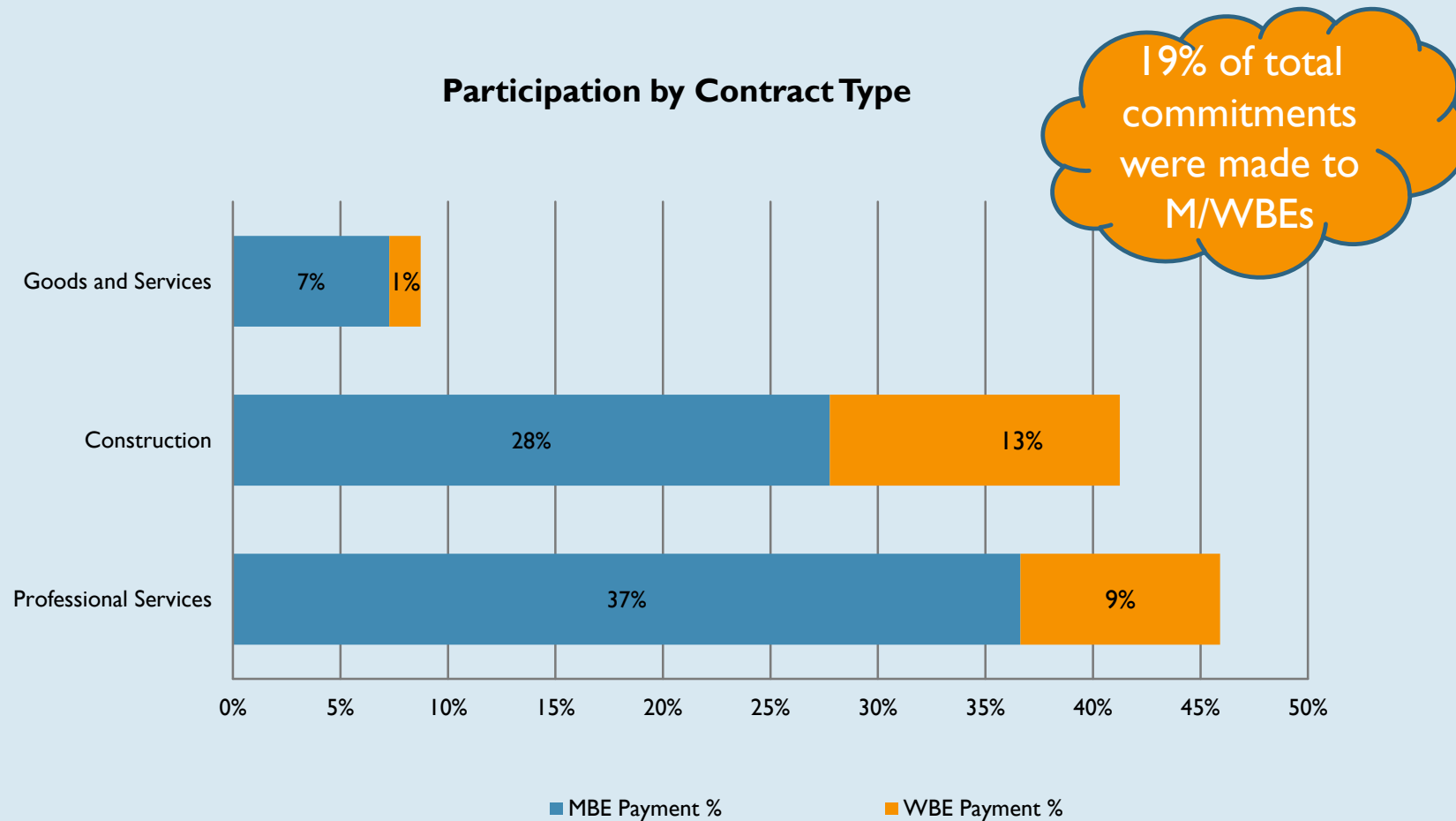
COOK COUNTY
HEALTH

- The Office of Contract Compliance enforces the M/WBE Ordinance on Cook County Health and Hospital System contracts
- OCC sets M/WBE goals on CCH contracts, reviews waiver requests, monitors compliance on contract goals
- OCC collaborates with CCH Department of Supply Chain Management to source all CCH procurements across the three contract categories: Goods and Services; Construction and Professional Services
- OCC monitors contracts that are traditionally let and that are submitted to Vizient, Inc., CCH's Group Purchasing Organization
- OCC and CCH engage in outreach to expand M/WBE participation on CCH contracts

COOK COUNTY HEALTH COMPARISON OF COMMITMENTS BY FISCAL YEAR AND CATEGORY FY2014-FY2018



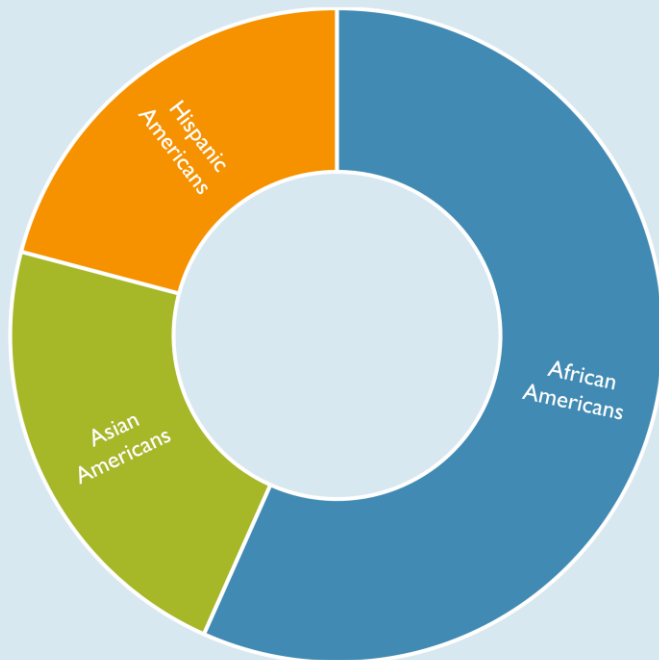
COOK COUNTY HEALTH M/WBE COMMITMENTS FY2018



COOK COUNTY HEALTH FY2018 M/WBE COMMITMENTS BY ETHNICITY

MBE Participation by Ethnicity

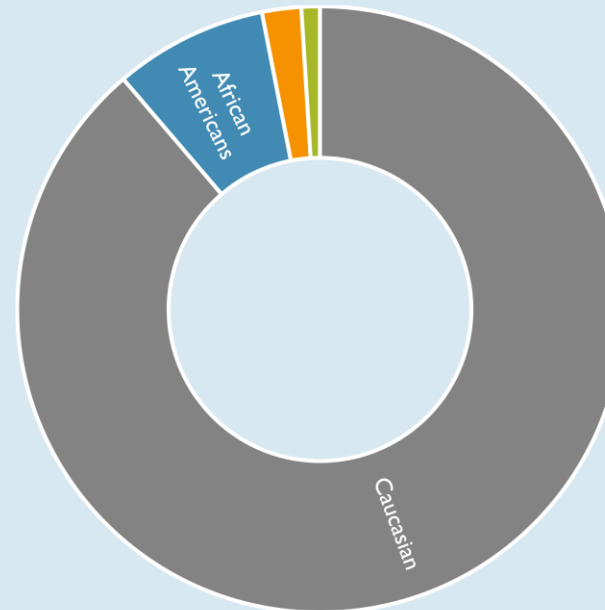
■ African Americans ■ Asian Americans ■ Hispanic Americans



African American 57% Asian American 22%
Hispanic American 21%

WBE Participation by Ethnicity

■ African Americans ■ Asian Americans
■ Hispanic Americans ■ Caucasian



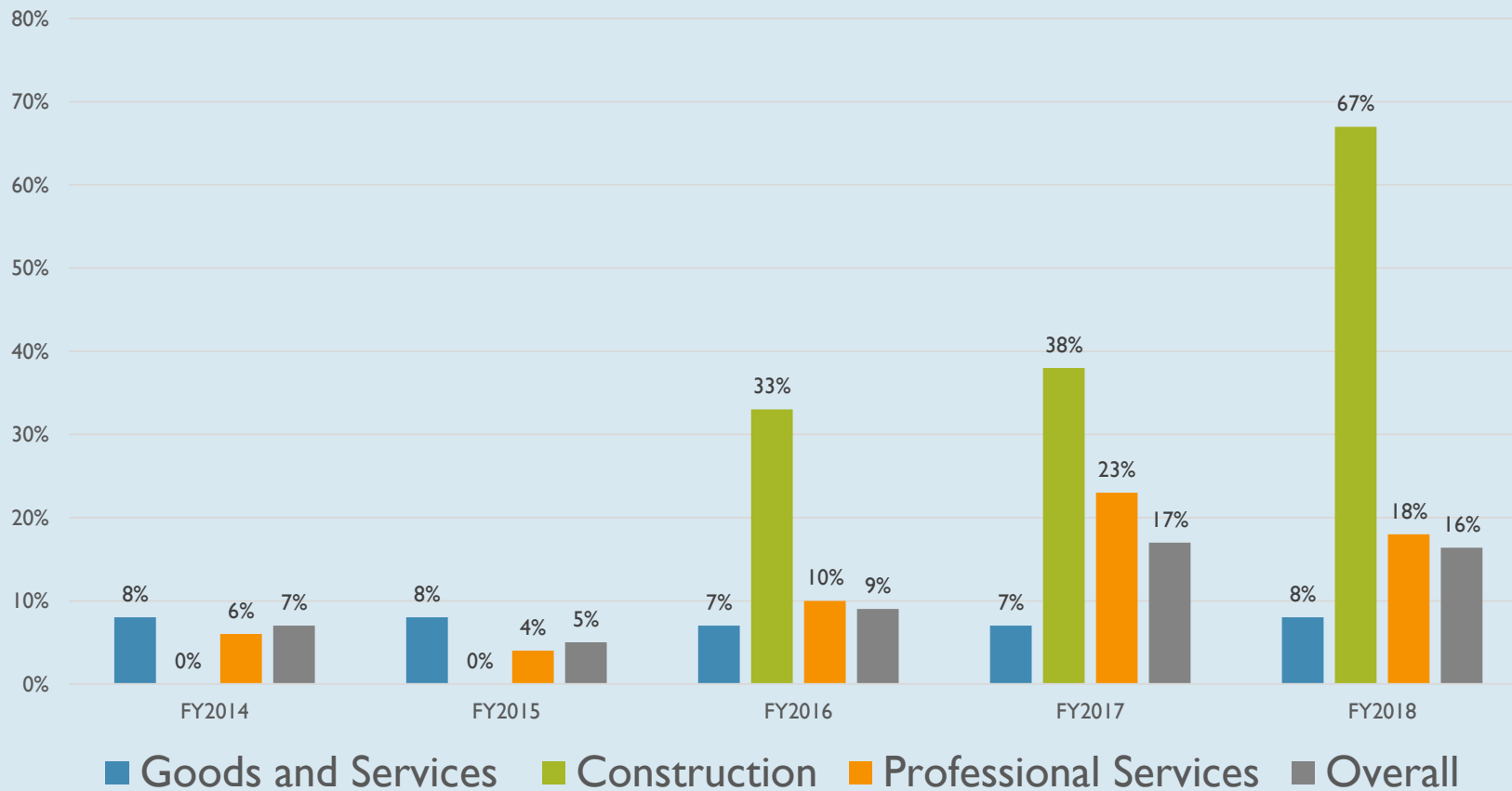
African American 8% Asian American 0%
Hispanic American 2% Caucasian 90%

COOK COUNTY HEALTH

FY2018 COMMITMENT HIGHLIGHTS

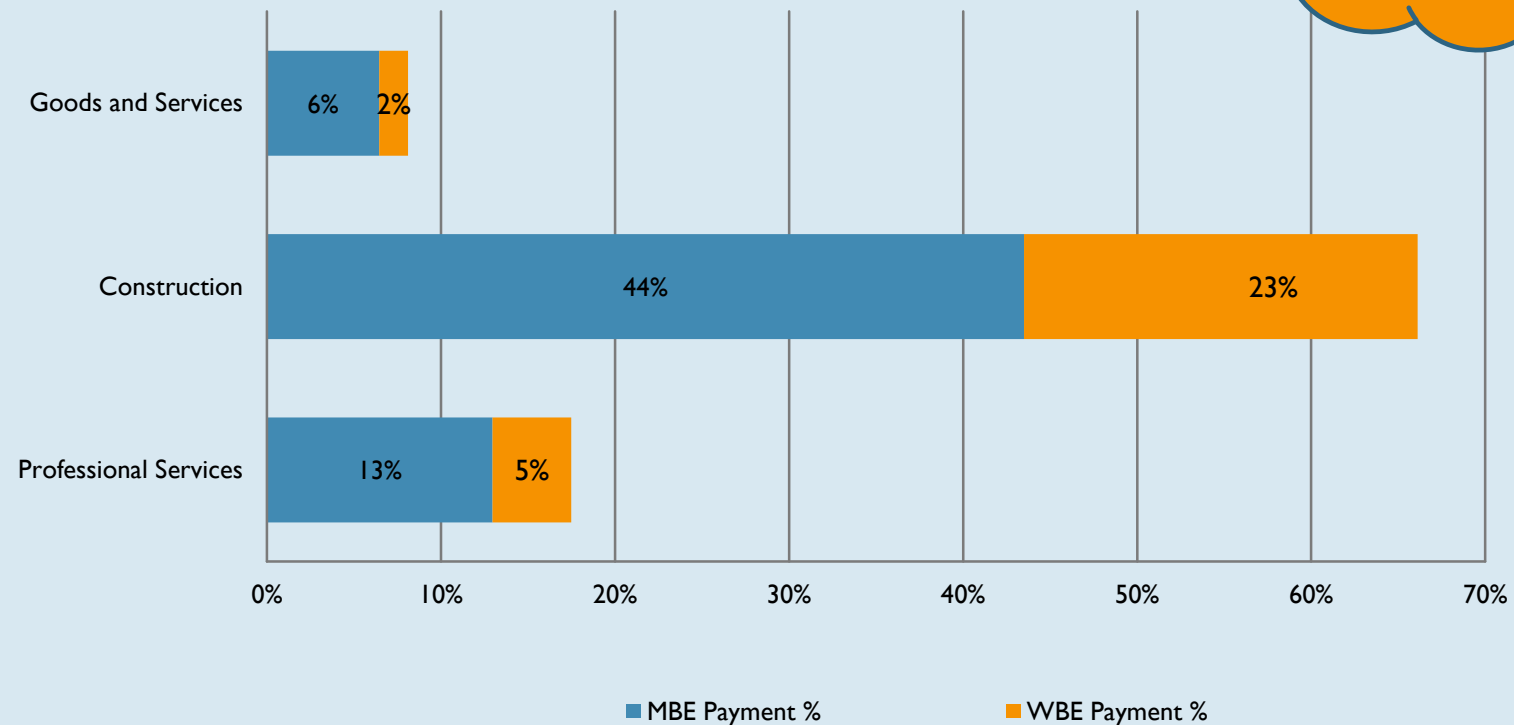
- \$26,763,548 Committed to MBEs
- \$6,765,886 Committed to WBEs
- 46% of Professional Services Commitments made to M/WBEs, the highest ever
- 41% of Construction Commitments made to M/WBEs, second highest ever
- \$15,021,613 (56%) of MBE Commitments were made to Women-Owned MBEs
- \$8,205,864 in Sole Source Commitments were made to M/WBEs
- Excluding Zero Goal and Sole Source Contracts, CCH Commitments to M/WBEs is 31.3%
- CCH FY2018 Commitments and Payments nearly tripled in three years.

COOK COUNTY HEALTH COMPARISON OF PAYMENTS BY FISCAL YEAR AND CATEGORY FY2014-FY2018



COOK COUNTY HEALTH M/WBE PAYMENTS FY2018

Participation by Contract Type

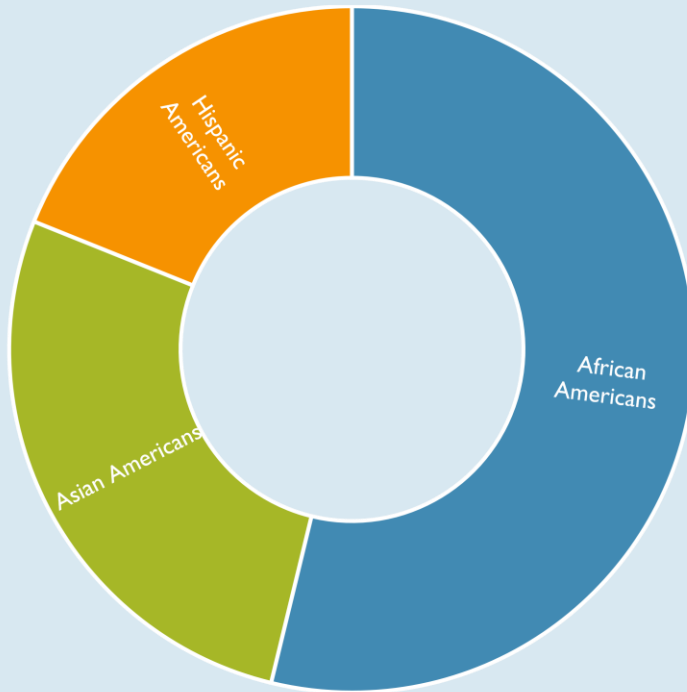


16.4% of total
payments
were made to
M/WBEs

COOK COUNTY HEALTH FY2018 M/WBE PAYMENTS BY ETHNICITY

MBE Payments by Ethnicity

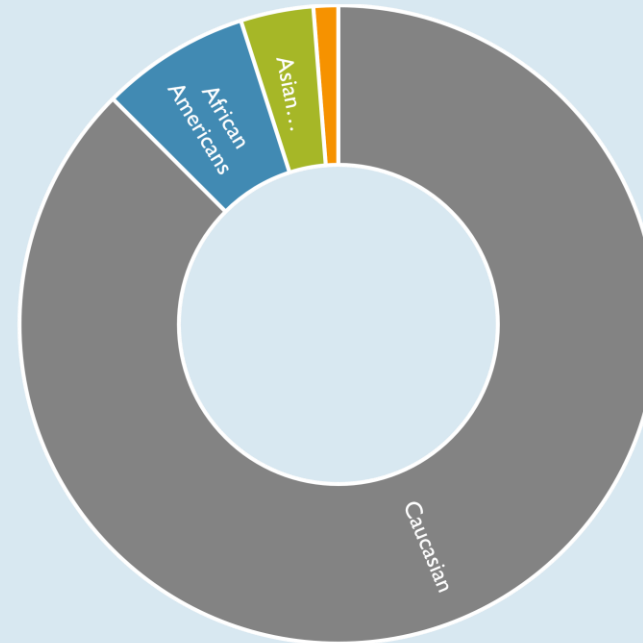
■ African Americans ■ Asian Americans ■ Hispanic Americans



African American 54% Asian American 27%
Hispanic American 19%

WBE Payments by Ethnicity

■ African Americans ■ Asian Americans
■ Hispanic Americans ■ Caucasian



African American 8% Asian American 4%
Hispanic American 1% Caucasian 87%

COOK COUNTY HEALTH FY2018 PAYMENT HIGHLIGHTS

- \$41,522,583 Paid to MBEs
- \$15,445,996 Paid to WBEs
- 67% of Construction Payments made to M/WBEs
- \$14,824,768 (36%) of MBE Payments were made to Women-Owned MBEs
- \$6,500,473 Paid to M/WBEs on Sole Source Contracts

WHAT'S NEXT AT CCH?

- New Contract with Ralph G. Moore & Associates to consult on implementing best practices to increase M/WBE participation @ CCH; and reviewing CCH aspirational goals
- FY2020 Buying Plan
- Implementation on OCC Outreach Program (Targeted Outreach in Healthcare & Leveraging Assist Agency Resources to increase M/WBE Capacity)

